

2019 Current Fiscal Year Report: FDIC Advisory Committee on Economic Inclusion

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1. Department or Agency		2. Fiscal Year	
Federal Deposit Insurance Corporation		2019	
3. Committee or Subcommittee		3b. GSA Committee No.	
FDIC Advisory Committee on Economic Inclusion		30785	
4. Is this New During Fiscal Year?	5. Current Charter	6. Expected Renewal Date	7. Expected Term Date
No	12/04/2018	12/04/2020	
8a. Was Terminated During FiscalYear?	8b. Specific Termination Authority	8c. Actual Term Date	
No			
9. Agency Recommendation for Next FiscalYear	10a. Legislation Req to Terminate?	10b. Legislation Pending?	
Continue	No	Not Applicable	
11. Establishment Authority	Agency Authority		
12. Specific Establishment Authority	13. Effective Date	14. Committee Type	14c. Presidential?
November 2, 2006, Board Resolution	11/02/2006	Continuing	No
15. Description of Committee	National Policy Issue Advisory Board		
16a. Total Number of Reports	No Reports for this FiscalYear		
17a. Open Meetings and Dates	17b. Closed Meetings and Dates	17c. Partially Closed Meetings and Dates	17d. Total Other Activities
No Meetings			

	Current FY	Next FY
18a(1). Personnel Pmts to Non-Federal Members	\$0.00	\$0.00
18a(2). Personnel Pmts to Federal Members	\$0.00	\$0.00
18a(3). Personnel Pmts to Federal Staff	\$0.00	\$0.00
18a(4). Personnel Pmts to Non-Member Consultants	\$0.00	\$0.00
18b(1). Travel and Per Diem to Non-Federal Members	\$0.00	\$0.00
18b(2). Travel and Per Diem to Federal Members	\$0.00	\$0.00
18b(3). Travel and Per Diem to Federal Staff	\$0.00	\$0.00
18b(4). Travel and Per Diem to Non-member Consultants	\$0.00	\$0.00
18c. Other(rents,user charges, graphics, printing, mail, etc.)	\$0.00	\$0.00

18d. Total	\$0.00	\$0.00
19. Federal Staff Support Years (FTE)	0.00	0.00

20a. How does the Committee accomplish its purpose?

The scope and objectives of the Committee are to provide advice and recommendations on initiatives to expand access to banking services for underserved populations. The Committee will review various issues that may include, but not be limited to, basic retail financial services such as low-cost, sustainable transaction accounts, savings accounts, small dollar lending, prepaid cards, money orders, remittances, and other services to promote asset accumulation and financial stability. The Committee, as appropriate, offers advice and recommendations regarding the issues considered through discussions and appropriate motions at open committee meetings.

20b. How does the Committee balance its membership?

Members will be appointed who can effectively represent the varied and diverse interests affected by the issues to be considered. Members will represent a cross-section of interests from the federal government, banking industry, state regulatory authorities, consumer or public advocacy organizations, community-based groups, academia, philanthropic organizations, as well as others impacted by banking-related practices.

20c. How frequent and relevant are the Committee Meetings?

Estimated Number of Meetings per Year – At least 2.

20d. Why can't the advice or information this committee provides be obtained elsewhere?

The Committee would be utilized to gather information and data on those issues impacting the access to and participation in the banking system by individuals from underserved populations which in turn will help the FDIC to better identify and prioritize issues of concern, and if necessary, to develop and implement strategies and methods to improve banking access and offerings to underserved populations. Information would be gathered that would assist the agency in evaluating its effectiveness in improving the delivery of financial services to the underserved communities and in dealing with the entities it regulates, including the costs and benefits associated with existing regulations and the efficiency of supervisory methods currently employed. The Committee may explore policy options for changes in statutes, regulations, or supervisory practices or procedures that will better secure the public policy goals of delivering financial services more efficiently and at less cost if possible to a broader spectrum of individuals while maintaining a safe, competitive and innovative banking system.

20e. Why is it necessary to close and/or partially closed committee meetings?

N/A

21. Remarks

n/a

Designated Federal Officer

Jonathan Miller Deputy Director, Policy and Research

Committee Members	Start	End	Occupation	Member Designation
Annibale, Robert	03/05/2012	12/20/2020	Global Director, Citi Microfinance and Community Development	Representative Member
Bakhshi, Nandita	04/20/2017	04/20/2019	President and CEO, Bank of the West	Representative Member
Barr, Michael	07/14/2009	12/20/2020	Professor of Law, University of Michigan Law School	Representative Member
Barrera, Janie	09/11/2015	12/20/2019	Founding President and CEO, LiftFund, Inc.	Representative Member
Beck, Ted	03/28/2007	12/20/2018	Retired President and CEO, National Endowment for Financial Education	Representative Member
Boston, Kelvin	03/28/2007	12/20/2018	Executive Producer and Host of PBS' Moneywise with Kelvin Boston	Representative Member
Cisneros, José	03/05/2012	12/20/2020	Treasurer, City and County of San Francisco	Representative Member
Eakes, Martin	03/28/2007	12/20/2020	Chief Executive Officer, Self-Help/Center for Responsible Lending	Representative Member
Fuchs, Ester	03/28/2007	12/20/2018	Professor, School of International and Public Affairs, Columbia University	Representative Member
Henderson, Wade	03/28/2007	12/20/2019	Retired President and CEO, Leadership Conference on Civil Rights and Counselor to the Leadership Conference on Civil Rights Education Fund	Representative Member
Levere, Andrea	04/03/2012	12/20/2019	President, Prosperity Now	Representative Member
McCoy, Patricia	04/14/2014	12/20/2018	Liberty Mutual Professor of Law, Boston College Law School	Representative Member
McDonald, Alden	03/28/2007	12/20/2020	President and CEO, Liberty Bank and Trust Company	Representative Member
Murphy, Bruce	07/17/2009	12/20/2018	President, Community Development Banking, KeyBank	Representative Member
Orozco, Manuel	03/28/2007	12/20/2018	Senior Associate at the Inter-American Dialogue and Senior Researcher, Institute for the Study of International Migration, Georgetown University	Representative Member
Ryan, John	03/28/2007	12/20/2019	President and CEO, Conference of State Bank Supervisors	Representative Member
Swagel, Phillip	04/14/2014	05/24/2019	Professor in International Economic Policy, University of Maryland	Representative Member
Weicher, John	04/03/2012	12/20/2019	Director, Center for Housing and Financial Markets, Hudson Institute	Representative Member

Number of Committee Members Listed: 18

Narrative Description

The scope and objectives of the Committee are to provide advice and recommendations

on initiatives to expand access to banking services for underserved populations. The Committee will review various issues that may include, but not be limited to, basic retail financial services such as low-cost, sustainable transaction accounts, savings accounts, small dollar lending, prepaid cards, money orders, remittances, and other services to promote asset accumulation and financial stability. The Committee, as appropriate, offers advice and recommendations regarding the issues considered through discussions and appropriate motions at open committee meetings.

What are the most significant program outcomes associated with this committee?

Checked if Applies

- | | |
|---|-------------------------------------|
| Improvements to health or safety | <input type="checkbox"/> |
| Trust in government | <input checked="" type="checkbox"/> |
| Major policy changes | <input checked="" type="checkbox"/> |
| Advance in scientific research | <input type="checkbox"/> |
| Effective grant making | <input type="checkbox"/> |
| Improved service delivery | <input checked="" type="checkbox"/> |
| Increased customer satisfaction | <input checked="" type="checkbox"/> |
| Implementation of laws or regulatory requirements | <input checked="" type="checkbox"/> |
| Other | <input type="checkbox"/> |

Outcome Comments

NA

What are the cost savings associated with this committee?

Checked if Applies

- | | |
|----------------------------|-------------------------------------|
| None | <input type="checkbox"/> |
| Unable to Determine | <input checked="" type="checkbox"/> |
| Under \$100,000 | <input type="checkbox"/> |
| \$100,000 - \$500,000 | <input type="checkbox"/> |
| \$500,001 - \$1,000,000 | <input type="checkbox"/> |
| \$1,000,001 - \$5,000,000 | <input type="checkbox"/> |
| \$5,000,001 - \$10,000,000 | <input type="checkbox"/> |
| Over \$10,000,000 | <input type="checkbox"/> |
| Cost Savings Other | <input type="checkbox"/> |

Cost Savings Comments

NA

What is the approximate Number of recommendations produced by this committee

Number of Recommendations Comments

At the October 18, 2017, advisory committee meeting, after a panel discussion on the progress of the FDIC's efforts to encourage the financial services industry to expand access to safe transaction accounts, particularly those that meet the "Bank On National Account Standards," including presentations by two small banks on their deposit account options that are targeted to meet the needs of unbanked and underbanked populations, including the youth and at-risk adults who had been incarcerated for non-violent offenses, and a presentation by a Bank On coalition on its efforts to provide necessary financial education to unbanked and underbanked program clients on affordable, sustainable accounts and announcing an upcoming event the Bank On coalition would be hosting with the FDIC and other entities, committee members offered suggestions. One committee member suggested that the use of data changes policy and behavior and can serve as a "light bulb moment" to persons in the targeted populations, while another committee member suggested existing disparities are created by structural inequality and that the FDIC should consider as a part of its fair hiring policies whether persons previously incarcerated for minor offenses should be precluded by the FDIC from being hired by financial institutions. Also at the October 18, 2017, meeting, after FDIC staff presentations on the results of the FDIC's 2016 Survey of Banks' Efforts to Serve the Unbanked and Underbanked as it related to the availability of basic entry-level accounts and the accessibility of identification and screening policies for account openings and the implications of the survey findings, committee members offered comments. One committee member expressed an interest in obtaining a detailed geographic inventory of safe transaction accounts, while committee members suggested that because safe transaction accounts are in everyone's best interest, including bank shareholders, it should be highlighted to banks to encourage a wider range of bank interest in such accounts, including through the FDIC working with bank trade associations to make bankers aware of the good business sense in offering safe transaction accounts. Other committee members suggested it would be helpful to have baseline data to better track bank interest in safe transaction accounts availability over time, that the FDIC use the data to promote the economic inclusion policies that help achieve the committee's objectives, and that FDIC staff meet with committee members in advance of the next bank survey to discuss the type of data to be collected. Also at the October 18, 2017, meeting, after a panel discussion on the FDIC's efforts in improving economic inclusion of people with disabilities through collaborating with the CFPB and the National Disability Institute, enhancing the suite of educational resources made available by the FDIC, and pursuing initiatives to identify and disseminate information about inclusive products and practices,

including presentations by a leading non-profit organization that works to fully integrate people with disabilities into their communities, including through financial empowerment policy, such as via the Achieving Better Life Experience (“ABLE”) Act, and a presentation by a regional bank on its loan program developed to address the financial needs of people with disabilities, committee members offered comments. One committee member suggested the FDIC play a role in partnering local organizations with community banks that want to participate in serving the needs of people with disabilities, while other committee members sought the advice of the panelists on how the advisory committee could encourage participation by the financial services industry. Another committee member suggested the FDIC consider researching the challenges in meeting the financial needs of people with disabilities, while other committee members asked questions about the profitability of loans to people with disabilities, why such persons are heavily represented in the unbanked community, and how to better connect people with disabilities with ABLE accounts. Finally, at the October 18, 2017, meeting, after FDIC staff presentations on an update on the FDIC’s research in vulnerable populations’, particularly lower income and elderly populations’, access to bank branches for financial services across large metropolitan urban areas in the U.S., committee members offered suggestions. One committee member suggested the FDIC enlist other agencies in its research efforts, while another committee member suggested the FDIC overlay its research in bank branch access with the availability of safe transaction accounts. One committee member suggested the FDIC not only develop web-based applications to generate online maps, but also make the data set publicly available, and another committee member suggested the FDIC present this information before national minority-based credit asset building organizations. Though none of the suggestions offered at the October 18, 2017, meeting was considered a formal recommendation of the full committee, Chairman Gruenberg, who was presiding over his last advisory committee meeting as Chairman of the FDIC, noted the contributions the committee members have made to the FDIC’s efforts in economic inclusion has been invaluable and that he would express to the new Chairman of the FDIC his appreciation for the committee.

What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?

75%

% of Recommendations Fully Implemented Comments

Though not a part of the formal recommendations of the full committee, (1) at the October 18, 2017, meeting, in response to committee members’ suggestions that the FDIC promote transaction accounts that are consistent with the FDIC’s Model Safe Accounts template, two regional banks made presentations on their safe transaction deposit

accounts, (2) at that same meeting, in response to a committee member's suggestion that FDIC staff meet with committee members in advance of the next National Survey of Unbanked and Underbanked Households to discuss the type of data to be collected in that survey, committee members were reminded that FDIC staff shared the latest survey with the full advisory committee on October 10, 2016, and on November 25, 2016, the FDIC published in the Federal Register a request for public comment on the survey and will continue to do so with future household surveys, and (3) also at that same meeting, in response to a committee member's suggestion that the FDIC facilitate the partnering of local organizations with community banks that want to participate in serving the needs of people with disabilities, the FDIC has identified a cohort of 34 organizations it and the CFPB are working with to make publicly available financial education and empowerment tools, and regarding the FDIC's continuing efforts in improving economic inclusion of people with disabilities, the FDIC has collaborated with the National Disability Institute in financial inclusion summits in 2018, updated its Guide to Presenting Money Smart for Adults and created supplemental scenarios for that curriculum featuring people with disabilities making financial decisions, and provided a webinar to FDIC staff in 2018 on working effectively with people with disabilities, and FDIC staff continues to monitor state expansion of ABLE accounts. Though not a part of the formal recommendations of the full committee, also at the October 18, 2017, meeting, in response to a committee member's suggestion that the FDIC's analysis of residential access to bank branches be expanded to a broader number of urban areas and include national banks, FDIC staff shared the results of this expanded research to the committee. The FDIC has developed the capability to analyze residential access to bank branches of all types of insured banks, including national banks, across all metropolitan statistical areas in the fifty states. Also, in response to a committee member's suggestion at the October 18, 2017, meeting, that the FDIC develop web-based applications to generate online maps and make the data set publicly available, the FDIC is exploring how best to provide members of the public with the ability to replicate and apply the framework, including potentially through a web-based application.

What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?

25%

% of Recommendations Partially Implemented Comments

Though not a part of the formal recommendations of the full committee, at the October 18, 2017, meeting, in response to a committee member's suggestion that the FDIC facilitate the partnering of local organizations with community banks that want to participate in serving the needs of people with disabilities, the FDIC conducted a series of banker

roundtables on improving economic inclusion for persons with disabilities, provided a national webinar for local organizations with the U.S. Treasury Department and the National Disability Institute on ABLE accounts, conducted a national webinar for local organizations hosted by the Southeast Americans with Disabilities Act Center on financial education and empowerment, highlighting the revised Money Smart curriculum, the updated Guide to Presenting Money Smart for Adults, and the supplemental scenarios, and committee member Kelvin Boston and FDIC staff met with the incoming director of the ABLE National Resource Center in the summer of 2018. Though not a part of the formal recommendations of the full committee, in response to committee members' questions and comments at the April 27, 2017, meeting about how branch access relates to other access methods, the 2017 FDIC National Survey of Unbanked and Underbanked Households questionnaire and subsequent report detail information on the relationship between bank branch utilization and other access methods. For example, the report, published in October 2018, notes that "81.0 percent of banked households that used mobile banking as their primary method visited a bank branch in the past 12 months, and nearly one-quarter (23.0 percent) visited ten or more times."

Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?

Yes ☒ No ☐ Not Applicable ☐

Agency Feedback Comments

The advisory committee was specifically advised through written communications and at meetings.

What other actions has the agency taken as a result of the committee's advice or recommendation?

Checked if Applies

Reorganized Priorities	<input type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

Action Comments

See above comments under What is the Approximate Percentage of These Recommendations That Have Been Or Will Be Fully Implemented By the Agency."

Is the Committee engaged in the review of applications for grants?

No

Grant Review Comments

NA

How is access provided to the information for the Committee's documentation?

Checked if Applies

Contact DFO

☐

Online Agency Web Site

☒

Online Committee Web Site

☐

Online GSA FACA Web Site

☒

Publications

☐

Other

☐

Access Comments

Access to committee information may be obtained from the CMO and also is available in the FDIC Public Information Center.